

WHAT IS CLAIMED IS:

1. A method for music distribution to a user comprising:
 - downloading a content file in a first data format from a remote server to a first user device for a first cost basis;
 - granting a capability to convert said content file to a second data format by paying a second cost basis; and
 - converting said content file to said second data format.
2. A method in accordance with Claim 1, wherein the first cost basis is free.
3. A method in accordance with Claim 1, wherein the first data format of the content file is different than the data format of the second data format.
4. A method in accordance with Claim 1, wherein the second data format is selected from the group consisting of an audio wave and an MP3.
5. A method in accordance with Claim 1, wherein the first data format of the content file is not suitable for playback on a device selected from the group consisting of an audio CD player and an MP3 player.
6. A method in accordance with Claim 1, wherein the second data format of the content file is encoded for playback on a player equipped to decode the content file.
7. A method in accordance with Claim 6, wherein the second data format of the content file is encoded such that it is suitable for playback on only one audio player.
8. A system useful for distributing content to a system, the system including an audio playback subsystem; the system comprising:
 - means for storing encoded content in a first protected format;
 - means for decoding the encoded content for playback directly on the audio playback subsystem;

means for conducting a payment transaction with a means for receiving payment; and

means for converting the encoded content into a second format.

9. A system in accordance with Claim 8, wherein the second format comprises an unprotected format suitable for playback.

10. A system in accordance with Claim 8, wherein the means for conducting a payment transaction further comprises means for conducting first and second payment transactions, the first payment transaction enabling the means for decoding to decode the encoded content for playback directly on the system's audio playback system.

11. A system in accordance with Claim 8, wherein the second payment transaction enables the means for converting to convert the encoded content into an unprotected format suitable for playback.

12. A system in accordance with Claim 8, further comprising a means for receiving payment in communication with the means for conducting a payment transaction.

13. A system in accordance with Claim 8, further comprising a content source in communication with the means for storing encoded content.

14. A system in accordance with Claim 8, wherein the first protected format is not suitable for playback directly on the system's audio playback subsystem.

15. A system in accordance with Claim 8, wherein the first protected format is not suitable for playback on an audio CD player or on an MP3 player.

16. A system in accordance with Claim 8, wherein the system comprises a PC.

17. A system in accordance with Claim 8, wherein the first payment transaction is free.

18. A system in accordance with Claim 8, wherein the second format is encoded with a unique identifier such that the second format is suitable for playback only on devices which are equipped with the unique identifier.

19. A system in accordance with Claim 18, wherein the unique identifier is selected from the group consisting of a cryptographic key and a serial number.

20. A system useful for distributing content to a system, the system including an audio playback subsystem; the system comprising:

- a memory configured to store encoded content in a first protected format;
- logic configured to decode the encoded content for playback directly on the audio playback subsystem;
- logic configured to conduct a payment transaction with a payment receiver;
- and
- logic configured to convert the encoded content into a second format.

21. A system in accordance with Claim 20, wherein the second format comprises an unprotected format suitable for playback.

22. A system in accordance with Claim 20, wherein the logic configured to conduct a payment transaction further comprises logic configured to conduct first and second payment transactions, the first payment transaction enabling the logic configured to decode to decode the encoded content for playback directly on the system's audio playback system.

23. A system in accordance with Claim 20, wherein the second payment transaction enables the logic configured to convert to convert the encoded content into an unprotected format suitable for playback.

24. A system in accordance with Claim 20, further comprising:
a payment receiver in communication with the logic configured to conduct a payment transaction.
25. A system in accordance with Claim 20, further comprising:
a content source in communication with the memory configured for storing encoded content.
26. A system in accordance with Claim 20, wherein the first protected format is not suitable for playback directly on the system's audio playback subsystem.
27. A system in accordance with Claim 20, wherein the first protected format is not suitable for playback on an audio CD player or on an MP3 player.
28. A system in accordance with Claim 20, wherein the system comprises a PC.
29. A system in accordance with Claim 20, wherein the first payment transaction is free.
30. A system in accordance with Claim 20, wherein the second format is encoded with a unique identifier such that the second format is suitable for playback only on devices which are equipped with the unique identifier.
31. A system in accordance with Claim 30, wherein the unique identifier is selected from the group consisting of a cryptographic key and a serial number.